

Voluntary - Public

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Yellow Corn Prices Raised

Report Categories:

Grain and Feed

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Report Highlights:

The Philippine National Food Authority (NFA) will be buying 300,000 MT of local yellow corn at a higher support price of P13 (\$0.27) per kilo, up from the previous P11.50 (\$0.24) per kilo, during this year's main corn harvest season in August. Overall corn output during the year, however, is not likely to surpass the 2008 level due to increasing production costs and excessive rainfall in major corn growing areas.

General Information:

The Philippine Department of Agriculture (DA) recently announced that the National Food Authority (NFA) will be buying 300,000 MT of yellow corn at a higher support price of P13 (\$0.27) per kilo during this year's main corn harvest season in August. Before this, the NFA bought yellow corn for P11.50 (\$0.24) per kilo (refer to GAIN 8050). Although the higher buying price is likely to encourage more domestic yellow corn cultivation in the second semester of 2009, overall corn output during the year is not likely to surpass the previous year's level due to increasing production costs and excessive rainfall in major corn growing areas.

Local prices of yellow corn had reportedly dropped to as low as P7 per (\$0.14) kilo, down from the P12 (\$0.25) per kilo buying price late last year. The Philippine Maize Federation, Inc. (Philmaize) attributes the price decline to Executive Order No. 765 (EO No. 756) signed in November 2008. EO 756 reduced the import duties on wheat to zero for a period of six (6) months (refer to GAIN 8066). Public hearings are currently being held as wheat tariffs are scheduled to revert to their original import duty of 3 percent on June 21, 2009. Local flour millers, hog and poultry raisers are pushing for the extension of EO 756 for another 6 months.